

FISCAL NOTE

Bill #:

SB 292

Title:

Revising Local Government Finance Laws

Primary Sponsor:

Gregory Barkus

Status:

As Introduced

Sponsor signature

Date

David Ewer, Budget Director

Date

Fiscal Summary		FY 2006 Difference	FY 2007 Difference
Expenditures:			
General Fund		0	0
Revenue:			
General Fund		0	0
Net Impact on General Fund Balance:		0	0

<input checked="" type="checkbox"/> Significant Local Gov. Impact	<input checked="" type="checkbox"/> Technical Concerns
<input type="checkbox"/> Included in the Executive Budget	<input type="checkbox"/> Significant Long-Term Impacts
<input type="checkbox"/> Dedicated Revenue Form Attached	<input type="checkbox"/> Needs to be included in HB 2

Fiscal Analysis

ASSUMPTIONS:

Department of Natural Resources and Conservation

1. The bill does general housekeeping of Local Government Public Finance law.

- Allows water and sewer districts to issue Grant Anticipation Notes (GAN)

- Clarifies laws relating to the issuance of Refunding Bonds

- Clarifies the term Serial Bonds

- Clarifies the interest rate and protest period of SID's

- Clarifies the obligation when a park district is dissolved

- Allows electronic bids when there is a sale of a bond
2. It is expected to have minimal fiscal impact on state government.

Department of Commerce

3. The Department of Commerce has carefully reviewed and analyzed the proposed legislation and determined that existing databases do not include sufficient information that would contribute to defining and/or quantifying the fiscal impact of this bill.

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(continued)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Department of Administration

The effect on local government revenues or expenditures cannot be readily identifiable. Such effect would be contingent on the extent a local government utilizes the existing laws as amended by the bill. There could be a significant amount of savings to a local government due to better interest rates because of pooled special improvement district bonds and variable rate refunding bonds, but the savings are not determinable.

Department of Natural Resources and Conservation

There could be significant savings to local governments in issuance costs as they would have the availability to pool bond issues. Allowances for electronic bids would also have cost saving benefits.

TECHNICAL NOTES:

Department of Administration

1. It may appear that striking the language in sections 19 through 27, which states that irrigation districts are subject to the ad-valorem property tax caps established in 15-10-420, MCA, would remove irrigation districts from the property tax caps. However, as section 15-10-420, MCA is not changed, the property tax caps are still applicable depending upon how the tax is imposed (ad-valorem based = appraised taxable value times mill levy). Removing this language in sections 19 through 27 may cause confusion for people dealing with the irrigation districts finances.
2. Removing irrigation districts from the property tax caps in 15-10-420, MCA, could result in higher mill levies without a vote for property within the irrigation districts and may thereby generating more revenue for the districts.